

What is the Price of Your Lifestyle?

I recently attended a presentation where the speaker asked that question in regards to taxes. I realized right away that he could also be talking about interest costs or time costs.

The tax issue is one that often draws the most attention because we would all rather pay less tax than more. However, there are so many ways to structure income that most people have a lifestyle that is very costly in terms of tax paid just because they don't know that there might be a better way. Furthermore, many others have a lifestyle that doesn't even present them with opportunities to reduce the impact of tax. For this reason, most people don't even consider the price of their lifestyle from a tax perspective, because they have simply accepted that taxes are a fact of life and not considered the real impact taxes have on our overall lifestyle.

The interest issue is quite easy to calculate and is usually presented to us as a line item on our various monthly statements. However, how many people have added up that cost? And beyond adding up the monthly cost, how many people have projected an interest cost out 10 years or more and weighed the cost against lost earning potential?

Time. Yes, there is a price to our lifestyle if we measured how much time we invested to create the income to create the lifestyle we currently have. Again, harder to value, but when you ask yourself what is your life priority, and honestly answer it, then compare that answer to the amount of time you invest on your life priority compared to the amount of time you invest earning your lifestyle, do they match?

To be able to take advantage of superior tax saving strategies, to be able to earn interest rather than pay interest, and to be able to have the time to invest in your life priorities all starts with the same process. **First**, what do you really want – today, in the future, for your family, as a legacy? **Second**, where exactly do you stand today – income from all sources; expenses from all sources; assets that you own directly or indirectly through a business or partnership; liabilities in full detail. **Third**, where are the gaps? What systems do you currently have in place to help you meet your needs? Who do you have to help you? Can you get professional assistance to creatively consider ALL the possible solutions to help you close the gap and / or make the existing plans better? Have you asked? When was the last time you seriously considered what you really, really want and what strategies, help or plans could you test, implement and take full advantage of that you haven't considered yet?

The worst thing you can do financially is to assume that you know all there is to know, that you've tried that before, and that 'you're doing ok' just the way you are. You don't know what you don't know, and one thing for sure is that in the world of finance things are constantly changing. If you don't ask you won't ever get. Ask yourself what you do want. Ask an advisor how you can get it? If you don't get an answer that works, ask again, ask someone else, and find out how. If you continue to say that you can't, and if you continue to be told you can't, then start to ask 'how' instead! It will amaze you at the variety of different solutions you'll find to help you reduce the cost of your lifestyle and put more real dollars back into your life!

